WATER SALE AGREEMENT

TABLE OF CONTENTS

Provision	*Description*	*Page No*
Article 1	Definitions & Interpretation	4-8
Article 2	Term of Agreement	8
Article 3	Sale and Purchase of Water	8-9
Article 4	Obligations of the Bulk Supplier	9-10
Article 5	Obligations of the Purchaser	10-11
Article 6	Metering	11-12
Article 7	Tariff & Billing Process	12-13
Article 8	Payment & Surcharge	13-14
Article 9	Quality Standards & Testing	15
Article 10	Representations & Warranties	15-16
Article 11	Joint Obligations	16
Article 12	Co-ordinating Committee	16-17
Article 13	Default & Penalties	17-18
Article 14	Right of the Bulk Supplier to Disconnect	19
Article 15	Termination	19-21
Article 16	Force Majeure	21-22
Article 17	Dispute Resolution	22-23
Article 18	Change in Law	23
Article 19	Governing Law & Jurisdiction	24
Article 20	Waiver	24
Article 21	Notices and Documentation	24-25
Article 22	Confidentiality	25-26
Article 23	Severability	26
Article 24	Insurance	26-28
Article 25	Relationship between the Parties	28
Article 26	Assignment	28
Article 27	Subcontracting	29
Article 28	Recovery	29
Article 29	Counterparts	29

This Agreement is entered into on this the_____ day of _____, 2002

BETWEEN

GUJARAT WATER INFRASTRUCTURE LIMITED, a company registered under the Companies Act, 1956 and having its registered office at _____ and wholly owned by the Government of Gujarat, hereinafter referred to as the "Bulk Supplier", which expression shall include unless repugnant to the context or the meaning thereof include its successors and assigns.

AND

_____, a Company registered under the Companies Act, 1956 and having its registered office at _____, hereinafter referred to as the "Purchaser", which expression shall include unless repugnant to the context or the meaning thereof include its successors and assigns.

OR

_____, an Urban Local Body/ a City Corporation/ a Rural Local Body, formed under the _____ Act and having its main office at _____, hereinafter referred to as the "Purchaser", which expression shall include unless repugnant to the context or the meaning thereof include its successors and assigns.

OR

[The Gujarat Water Supply and Sewerage Board]____, a government entity formed under the Gujarat Water Supply and Sewerage Board Act, 1978 and having its main office at _____, hereinafter referred to as the "Purchaser", which expression shall include unless repugnant to the context or the meaning thereof include its successors, and assigns.

RECITALS

A. WHEREAS, the Bulk Supplier has been established as a company wholly owned by the Government of Gujarat to inter alia engage in the laying down and subsequent management of transmission mains for transmission of water from the Sardar Sarovar Narmada Nigam Limited, water resources department or any other organisation to various bodies.

B. WHEREAS, the Purchaser is a statutory body formed under the Gujarat Water Supply and Sewerage Board Act, 1978 and is inter alia responsible for the supply of water to _____[1].

C. WHEREAS, the Purchaser is desirous of purchasing water from the Bulk Supplier and the Bulk Supplier has agreed to undertake the bulk sale of water to the Purchaser on the terms and conditions set out hereinafter in this Agreement.

---

[1] This is applicable only where the Purchaser is the GWSSB.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

I. DEFINITIONS AND INTERPRETATION:

1.1 Definitions:

Accounting Year:	means the financial year commencing from 1st of April of any calendar year and ending on 31st of March of the next calendar year.
Authorised Agency:	shall have the meaning assigned thereto under Annexure – A.
Authorised Laboratory:	means the laboratory that both Parties shall have designated to analyse the water quality standards as described under Annexure – D.
Authorised Engineer:	shall have the meaning assigned thereto under Annexure – A.
Authorised Representative	shall mean any person duly authorised by the Party to execute this Agreement so as to legally bind the Party to this Agreement.
Change in Law:	shall have the meaning assigned thereto in Article 18
Dispatch Schedule Response:	shall have the meaning ascribed thereto in Annexure - A.
Dispatch Schedule Request:	shall have the meaning ascribed thereto in Annexure - A.
Dispute Resolution:	means the procedure for dispute resolution set forth in Article 17.
Due Date:	shall mean the date mentioned in the invoice raised by the Bulk Supplier by which the Purchaser must pay the invoice amount to the Bulk Supplier.
Document or Documentation:	means documentation printed or in written form, tape, discs, drawing, computer programs, writings, reports, photographs, cassettes, or expressed in any other written, audio or visual form.
Effective Date	means the date of the signing of this Agreement.
Final Compliance	shall have the meaning ascribed thereto in Annexure – A.
Certificate:	

Financial Documents:	means Letter of Credit, Bank Guarantee and State Government Guarantee given by the Purchaser to the Bulk Supplier for the purpose of securing the payments to the Bulk Supplier.
Force Majeure or Force Majeure Event:	shall mean an act, event, condition or occurrence specified in Clause 16.
Industrial use:	shall have the meaning ascribed thereto in Annexure - C.
Interconnection Facilities:	shall mean _____[2].
Meter:	shall have the meaning ascribed thereto in Annexure - A and it shall be installed at the Transfer Point.
Water Quality Standards:	shall have the meaning ascribed thereto under Annexure – D.
Non-Industrial Use:	shall have the meaning ascribed thereto under Annexure - C.
Offtake Point:	means the geographical place on the Bulk Supplier's Network where the infrastructure dedicated to supplying water to the Purchaser begins.
Operational Representative:	shall have the meaning ascribed to it under Clause 21.4
Operating Procedures:	Shall have the meaning ascribed thereto in Clause 12.2
Parties:	means the parties to this Agreement collectively and "Party" shall mean any of the Parties to this Agreement individually.
Premises:	means any land or building or any part of a building.
Rs. or Rupees:	means the lawful currency of the Republic of India.
SBI PLR:	means the prime lending rate per annum for loans with one year maturity as fixed from time to time by the State Bank of India, and in the absence of such rate, the average of the prime lending rates for loans with one year maturity fixed by the Bank of India, and failing that any other arrangement that substitutes such prime lending rate as mutually agreed between the Parties.

[2] Please insert an appropriate definition.

Source:	means any source of water to the Bulk Supplier.
Successor Agreement:	Shall have the meaning assigned to it in Clause 2.2 hereof.
Tariff Category:	shall have the meaning ascribed thereto under Annexure - C.
Tariff Rate:	shall have the meaning ascribed thereto under Annexure - C.
Taxes:	means any Indian taxes corporate income, sales tax, excise duties, customs duties and local taxes and any impose of like nature (whether Central, State or local) charged, levied or imposed on the goods, materials, equipment and services but excluding any interest, penalties and other sums in relation thereto imposed on any account whatsoever.
Term:	shall have the meaning assigned to it in Clause 2.1 herein.
Termination:	means the expiry or termination of this Agreement in accordance with the provisions of this Agreement.
Transfer Point:	means the geographical place where the title to the water supplied under this Agreement transfers from the Bulk Supplier to the Purchaser.
Valid Dispatch Schedule:	shall have the meaning assigned to it in Annexure A.
WPI:	means the wholesale price index published by the Ministry of Industry, Government of India and shall include any index, which substitutes the wholesale price index.

1.2. Interpretation:

In this Agreement, unless the context otherwise requires,

(a) any reference to a statutory provision shall include such provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder.

(b) references to Indian law shall include the laws, acts ordinances, rules, regulations, or bye laws which have the force of law in any state or union territory forming part of the Union of India;

(c) the words importing singular shall include plural and vice-versa, and words denoting natural persons shall include partnership, firms, companies, corporations, joint ventures, trusts, associations, organisations or other entities;

(d) the headings are for convenience for reference only and shall not be used in and shall not effect the construction or interpretation of this Agreement:

(e) terms and words beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein and the terms and words described in the Annexure and used therein shall have the meaning ascribed thereto in the Annexures ;

(f) the words "include" and "including" are to be construed without limitation;

(g) references to "construction" include, unless the context otherwise requires, investigation, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction;

(h) any reference to any period of time shall mean a reference to that according to Indian Standard Time;

(i) any reference to day shall mean a reference to a calendar day, unless otherwise specified;

(j) any reference to month shall mean a reference to a calendar month;

(k) the Annexures to this Agreement form an integral part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;

(l) any reference at any time to any other agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or suspended at the time of such reference provided that this Clause shall not operate so as to increase liabilities or obligations of the Bulk Supplier hereunder or pursuant hereto in any manner whatsoever;

(m) references to Recitals, Articles, Clauses, Sub-clauses, Paragraphs, or Annexures in this Agreement shall, except where the context otherwise requires, be deemed to be references to Recitals, Articles, Clauses, Sub-clauses, paragraphs, and Annexures of or to this Agreement;

(n) any agreement, consent, approval, authorisation, notice, communication, information or report required under or pursuant to this Agreement from or by any Party shall be valid and effectual only if it is in writing under the hands of duly Authorised Representative of such Party in this behalf and not otherwise;

(o) any reference to any period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include both such days or dates.

1.3. Measurements and Arithmetic Conventions:

All measurements and calculations shall be in metric system and calculations done to 2 decimal places, with the third digit of 5 or above being rounded up and below 5 being rounded down.

1.4. Priority of contract documents and errors / discrepancies.

1.4.1. This Agreement and the various Annexures forming part of this Agreement are to be taken as mutually explanatory to one another and, unless otherwise expressly provided elsewhere in this Agreement, the priority of the following documents shall in the event of any conflict between them be in the order they are set out:

(i) this Agreement

(ii) various Annexures forming part of this Agreement,

i.e. document at (i) above shall prevail over the documents at (ii) above.

1.4.2. In case of ambiguities or discrepancies within this Agreement the following shall apply:

(i) between two Clauses of this Agreement, the provisions of the specific clause relevant to the issue under consideration shall prevail over those in other Clauses;

(ii) Between any value written in numerals and that in words, the latter shall prevail.

2. TERM OF AGREEMENT

2.1 Term

This Agreement shall come into force on the Effective Date and unless terminated earlier in accordance with the provisions of this Agreement, shall continue to be in force for a period of [ten (10)] years ("Term").

2.2 Renewal

This Agreement shall be automatically renewed at the end of the Term for additional successive terms of [ten (10)] years unless either Party gives to the other Party, in writing, a notice of termination of the Agreement [twelve (12)] months prior to the expiry of the Term in which event, the Parties may proceed to negotiate the terms of a mutually acceptable agreement which shall replace this Agreement ("Successor Agreement").

3. SALE AND PURCHASE OF WATER

3.1 It is hereby expressly agreed by and between the Parties that during the Term of this Agreement, the Bulk Supplier shall supply water to the Purchaser and the Purchaser shall purchase such water from the Bulk Supplier in accordance with the terms and conditions set out in this Agreement.

3.2 During the period from _____ until _____ the Purchaser will purchase a monthly amount of water that ranges between or equals a minimum of _____ litres and a maximum of _____litres and a daily amount of water that ranges between or equals a minimum of _____ litres and a maximum of _____litres.

3.3 During the period from _____ until _____ the Purchaser will purchase a monthly amount of water that ranges between or equals a minimum of _____ litres and a maximum

of _____litres and a daily amount of water that ranges between or equals a minimum of _____ litres and a maximum of _____litres.

3.4 The Purchaser shall allocate the monthly amount of water determined in Clauses 3.2 and 3.3 above for Industrial and Non-Industrial use as follows:

(i) during the period from _____ until _____ ,a maximum of____[x]__liters to Industrial Use.

(ii) during the period from _____ until _____ , a maximum of____[x]__ liters to Industrial Use.

3.5 The Purchaser shall inform the Bulk Supplier of any change in the allocation of water towards Industrial Use as described under Clause 3.4 at least one working day before the invoice for that billing cycle is due.

3.6 Notwithstanding the provisions of Clauses 3.2, 3.3, 4.5 and 4.6 a variance of up to [x]% of the daily water supply and a variance of up to [x]% of the monthly water supply will not be construed as a breach of this Agreement by the Bulk Supplier.

3.7 If any increase in the monthly allocation of water for Industrial Use continues for three consecutive months, the Bulk Supplier shall be at liberty to amend Clause 3.4 above on the basis of the maximum level of consumption recorded during the previous three consecutive months.

3.8 The Bulk Supplier shall be entitled to recover charges in accordance with Article 7 (Tariff and Billing Process) for the supply of water to the Purchaser under this Agreement and the Purchaser shall pay such charges to the Bulk Supplier in accordance with the provisions of this Agreement.

4. OBLIGATIONS OF THE BULK SUPPLIER

4.1 The Bulk Supplier shall provide the infrastructure required for the purpose of transmission of water from its Source until the Transfer Point within [ninety (90)] days of the Effective Date, as confirmed by an Authorised Agency or Authorised Engineer in accordance with the procedure set out in Annexure A.

4.2 The Bulk Supplier on its own cost shall install, operate and maintain, at all time during the term of this Agreement all infrastructure required for the transmission of water from its Source until the Transfer Point.

4.3 The Bulk Supplier shall notify the Purchaser four weeks prior to its undertaking any maintenance activities of its infrastructure that may have the effect of disrupting supply of water to the Purchaser and shall as far as practicable, consult the Purchaser to determine the date and / or period of such disruption, which shall not last more than [x] working days.

4.4 The Bulk Supplier shall commence the supply of water to the Purchaser within one (1) working day after the issuance of the Final Compliance Certificate to the Purchaser as described in Annexure - A.

4.5 The Bulk Supplier shall supply the quantity of water to the Purchaser as set out in a Valid Dispatch Schedule.

4.6 If the Purchaser fails to submit its Dispatch Schedule Request in due time to the Bulk Supplier, as described in Annexure - A, the Bulk Supplier shall make best efforts to supply water based on the supply during the preceding Dispatch Schedule Response, as described in Annexure A, and the Purchaser shall be billed for the same. provided that in no event shall supply of water to the Purchaser under this Clause 4.6 be less than the minimum agreed upon under Clauses 3.2 and 3.3 hereof.

4.7 Unless the Purchaser chooses to purchase lower quality of water at a negotiated price as per Clause 9.2, the Bulk Supplier shall supply water of no less quality than as set out in the Water Quality Standards as determined in Annexure – D.

4.8 Bulk Supplier will plan and implement up-gradation of its transmission facilities as per the system requirement from time to time in consultation with the Purchaser, and shall duly consider any comments, objections and inputs received within 30 days of such consultation.

5. OBLIGATIONS OF THE PURCHASER

5.1 The Purchaser shall, at its own cost and within [ninety (90)] days of the Effective Date, establish, operate and maintain all Interconnection Facilities and any and all infrastructure required to transmit water from the Transfer Point.

5.2 The Purchaser shall obtain its Final Compliance Certificate from the Bulk Supplier in accordance with the procedures set out in Annexure A within [ninety (90)] days from the Effective Date.

5.3 The Purchaser shall be responsible for sending Dispatch Request to the Bulk Supplier in accordance with the procedures set out in Annexure A.

5.4 The Purchaser will be responsible for obtaining all permissions and / or approvals required for the construction, operation and maintenance of any and all Interconnection Facilities including the pumping station.

5.5 The Purchaser shall pay the duly sent invoices as described under Clause 8.1.

5.6 Subject to Clauses 9.2 and 13.4 hereof, the Purchaser shall pay for the minimum quantity of water specified in Clause 3.2 or 3.3, as the case may be, irrespective of the consumption or non-consumption of the said amount of water by the Purchaser.

5.7 The Purchaser shall be solely responsible for compliance with any and all laws, regulations, directives and / or orders related to the treatment and disposal of the water supplied by the Bulk Supplier and the Bulk Supplier shall not be held responsible for any default on part of the Purchaser on this account.

5.8 The Purchaser shall ensure that all relevant and necessary documents are made available to the Bulk Supplier on the demand of the Bulk Supplier in support of the use of water allocated

within one billing cycle to allow the Bulk Supplier to verify the accuracy of the allocation of water according to Clause 3.4.

5.9 The Purchaser shall deposit with the Bulk Supplier a performance security in the form of a Financial Document acceptable to the Bulk Supplier, of an amount of Rs. _____, which shall equal to three months minimum billing amount as per Clause 5.6 hereof. The Financial Document shall be returned to the Purchaser upon Termination of this Agreement, after adjustment of all dues payable to the Bulk Supplier by the Purchaser. It is clarified that no interest shall be paid by the Bulk Supplier to the Purchaser on such deposit.

6. METERING[3]

6.1 Meters. Purchaser shall acquire, provide, install, calibrate, control, retain ownership of and maintain the Meter at the Transfer Point. The Meter shall be in compliance with accuracy standards specified in Annexure A of this Agreement.

6.2 Maintenance of Meter. The Meter shall be maintained by Purchaser consistent with industry standards[4] in order to ensure that the Meter remains in compliance with the accuracy standards specified in Annexure - A. The procedures for installation, testing, repair, maintenance and operations of the Meter shall be consistent with industry standards.

6.3 Reading, Inspection, Calibration & Maintenance. The Meter shall be jointly read, calibrated, inspected and sealed on behalf of both the Parties. Either Party may request re-calibration of the Meter by giving notice of the same to the other Party. Within [twenty-four (24) hours] of receipt of such notice the Parties shall ensure that the Meter is jointly opened, re-calibrated, inspected and sealed. In the event that either Party is not present to jointly read or re-calibrate the Meter, the other Party shall be entitled to proceed to read or re-calibrate the Meter on its own.

6.4 Meter Readings. The Meter shall be read [_____][5] for the purpose of determining the deliveries of water during the immediately preceding month. Meter readings shall be taken in the presence of the Operational Representative of each Party and shall be jointly taken and recorded.

6.5 Bulk Supplier's Access and Right of Inspection[6]. Bulk Supplier shall have the right to designate, from time to time, by a written notice to Purchaser, up to five (5) of its employees who shall be entitled to inspect the Meters at the Transfer Points for verifying Purchaser's compliance with this Agreement. Subject to their complying with all reasonable safety precautions and standards, Purchaser shall provide these employees of Bulk Supplier access to the Meters:

---

[3] This allocation of roles and responsibility under this Article is subject to commercial negotiations amongst the Parties.
[4] The Client consider setting out some basic guidelines
[5] The parties to determine whether meter reading is done hourly, daily, weekly, fortnightly or monthly.
[6] The parties to determine the practical organisation of the meter readings (such as notice for inspection, continuous presence of Operational Representatives etc.).

(a) normally after receiving not less than [_____] notice of inspection from Bulk Supplier[7]; and

(b) on occasions where Purchaser has reported a Force Majeure Event or to verify significant causes for reduced delivery of water after receiving one (1) hour's notice from Bulk Supplier.

In the exercise of any of its rights to access and inspection, Bulk Supplier shall ensure that its employees do not knowingly interfere with the proper operation or maintenance of the Meters of the Purchaser.

6.6 Notice of Metering Defects. If at any time either Party feels that a Meter is not recording correctly, it shall give notice to the other Party. Purchaser shall then undertake testing and calibration of the Meter owned by Purchaser and located at Transfer Point in co-ordination with and in the presence of the Operational Representative of the Bulk Supplier. If after such testing the error is found to exceed the prescribed limits for that class of Meters, necessary adjustment in the bills shall be made from the date of notice or from such other date as can be satisfactorily established for such adjustment.

6.7 Metering failure. If the Meter fails to record, then the amount of water supplied will be computed on the basis of the billing for the average of the billing cycle for the same duration of the previous year. Adequate metering failure alarm/annunciation shall be provided by the Purchaser to alert the Operational Representative on duty, to take corrective action and record the time of failure of relay. However, if any such failure in Metering occurs within twelve (12) months from the date of first supply by the Bulk Supplier, the amount of water supplied will be computed on the basis of the minimum amount of water to be supplied in the relevant billing cycle.

6.8 Disputes. Any unresolved disputes between the Parties related to the accuracy of any Meter readings shall be in accordance with Article 17 (Dispute Resolution).

7. TARIFF AND BILLING PROCESS

7.1 The Bulk Supplier shall be entitled to charge the Purchaser for supply of water under this Agreement at a Tariff Rate calculated in accordance with the method set out in Annexure - C.

7.2 The charges for the water supplied under the terms of this Agreement shall be exclusive of any sales tax currently in force and any other levy imposed by the government / local authorities pursuant to any Change of Law as determined under Article 18, and any such taxes shall be borne by the Purchaser over and above the aforesaid price.

7.3 Unless the Bulk Supplier fails to provide its infrastructure as described in Clause 5.1, the Purchaser shall receive its first invoice from the Bulk Supplier within seven (7) days after the issuance of the Final Compliance Certificate but no later than ninety (90) days from the Effective Date, regardless of not having obtained the Final Compliance Certificate from the Bulk Supplier as described in Annexure – A.

[7] However, if the Parties determine to have hourly or daily readings no such notice shall be required.

7.4 The Tariff Rate agreed upon by the Parties may be reviewed on the occurrence of

(i) any Force Majeure event as described under Clause 16.1; or

(ii) any Change of Law as described under Article 18; or

(iii) any necessary review of the components of the Tariff Rate in accordance with Annexure – C; or

(iv) or any event or circumstance of a nature analogous to any of the foregoing as shall be deemed necessary by the Parties.

7.5 Other than in the case of the first invoice as described in Clause 7.3, the Bulk Supplier will send a duly addressed monthly invoice to the Purchaser, to the address provided by the Purchaser under Clause 19.2, by registered post and by courier, by the seventh day of every English calendar month for the previous calendar month. Each invoice shall set out the following[8]:

(i) measured volume of water delivered to the Purchaser during the relevant billing period;

(ii) any adjustments made and the method of making such adjustments; and

(iii) amounts payable by the Purchaser.

7.6 Any invoice addressed to the Purchaser shall be construed as a notice to pay the bill.

7.7 The Purchaser shall upon receipt of the invoice from the Bulk Supplier pay to the Bulk Supplier the entire amount due, by way of a revolving letter of credit issued by a nationalised/scheduled bank located in Gujarat acceptable to the Bulk Supplier.

7.8 In the event that the Bulk Supplier fails to raise the invoice for any one or more monthly billing cycles, the same shall be added to the subsequent invoices.

7.9 During the pendency of any billing dispute(s) the Purchaser cannot take recourse to non-payment of the disputed bill and / or any subsequent bills.

7.10 In the event the Purchaser is due for any refund of any amount, due to any reason whatsoever, the Bulk Supplier shall make suitable adjustments against the amounts due to the Bulk Supplier from the Purchaser for the following monthly billing cycle(s).

8. PAYMENT AND SURCHARGE.

8.1 Due Date of Payment. Invoices given by the Bulk Supplier shall be due and payable by the Purchaser to the Bulk Supplier no later than fourteen (14) days after the date of the Invoice. Payment shall be made to the credit of one or more bank accounts designated by the Bulk Supplier to the Purchaser in a written notice delivered in accordance with Article 21 (Notice). Notwithstanding the existence of any dispute whatsoever regarding the invoice, and subject to resolution of the disputed amount objection in terms of Article 17 (Dispute Resolution), the

[8] The Client may consider listing essential components of the invoice such as measured volume of water, period of billing, any adjustments, amounts payable etc.

Purchaser shall pay to the Bulk Supplier the full amount of the Invoice on the due date of payment.

8.2 In the event the invoice amount is not paid by the Purchaser by the Due Date, the Purchaser shall pay a penalty equal to interest at the rate of 18% (eighteen per cent) per annum from the Due Date until the date on which the Bulk Supplier receives the payment of the invoice amount from the Purchaser.

8.3 Payment Process.

8.3.1 *Endorsement.* Within [three (3)] business days from the date of delivery of the Invoice, the Purchaser shall return to the Bulk Supplier one copy of the Invoice duly endorsed with its approval.

8.3.2 *Disputed Amount Objection.* If the Purchaser disputes any portion of the Invoice amount, within ten (10) business days from the date of issuance of the Invoice, the Purchaser shall return to the Bulk Supplier one copy of the Invoice duly endorsed recording the disputed amount and the accepted amount, accompanied by a written objection giving particulars of the item disputed with full details, supporting data, and reasons for the dispute, and the amount disputed against each item.

8.3.3 *Deemed Endorsement.* In the event that the Purchaser fails to act in accordance with Sub-clauses 8.3.1 or 8.3.2 above, the Invoice shall be deemed to be duly endorsed for the full amount by the Purchaser for the purposes of payment.

8.3.4 *Dispute Resolution & Payment.* The Parties shall endeavour to resolve any disputed amount objection raised in terms of sub-clause 8.3.2 within [three (3)] days of the receipt of objection. Based on such resolution, the final / settled amount (as opposed to the Invoice amount) shall be paid in full settlement of the Invoice within the next [four (4)] days.

8.4 Subsequent Settlement of Disputed Amount Objection.

8.4.1 *Resolution of Outstanding Dispute.* In the eventuality that the disputed amount objection is not resolved within the stipulated time frame under Sub-clause 8.3.4, subject to the requirement of payment of the full amount under Sub-Clause 8.3.1 on the due date of payment, the outstanding dispute shall be resolved in accordance with the Article 17 (Dispute Resolution).

8.4.2 *Consequential Payment.* When the disputed amount objection is resolved in terms of Clause 8.4.1, any additional payments determined to be due and owing to a Party shall be paid by the other Party along with a suitable compensation being:

(a) In case of payment by the Purchaser to the Bulk Supplier, a delayed payment charge calculated in accordance with Clause 8.2; or

(b) In case of payment by the Bulk Supplier to the Purchaser, interest calculated at the [_____] interest rate, computed on a daily basis, for the period of overpayment.

9. QUALITY STANDARDS AND TESTING

9.1 The Bulk Supplier shall endeavour to supply water at all times at a quality standard no less than the Water Quality Standards set out in Annexure - D of this Agreement.

9.2 In the event that the quality of water supplied by the Bulk Supplier deteriorates below the Water Quality Standards determined in Annexure – D, the Purchaser shall have the choice to either purchase such lower quality of water from the Bulk Supplier at a negotiated price or refuse to purchase such lower quality of water. In the event the Purchaser refuses the lower quality of water and the Bulk Supplier is unable to supply water of the Water Quality Standards within thirty six (36) hours after the Purchaser's refusal, it shall be deemed that the Bulk Supplier is unable to supply water of the Water Quality Standards

9.3 The Purchaser shall be kept informed by the Bulk Supplier as to the quality of water according to the procedure set out in Annexure D.

9.4 The Purchaser shall bear the cost of all activities undertaken by the Authorised Laboratory to determine the Water Quality Standards of the water supplied by the Bulk Supplier as determined under Annexure – D.

9.5 The Bulk Supplier shall not be held liable for any damage or loss caused to the Purchaser due to the quality of the water supplied by the Bulk Supplier in the event the quality of the water supplied is in compliance with the Water Quality Standards determined in Annexure – D or in the event the Purchaser purchased the water according to Clause 9.2.

10. REPRESENTATIONS AND WARRANTIES

10.1 Each Party represents and warrants to the other Party that:

(i) It is duly organised, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(ii) It has full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;

(iii) It has taken all necessary corporate and other action under any applicable laws and its constitutional documents to authorise the execution, delivery and performance of this Agreement.

(iv) All corporate actions on the part of its officers and directors necessary for the authorisation, execution and delivery of this Agreement by it and for the performance of all of its obligations hereunder have been taken.

(v) This Agreement constitutes valid, legally binding and enforceable obligations of such Party.

(vi) It shall not take any action or cause any person to take any act on behalf of the other Party or binding upon the other Party, except with the other Party's specific consent in writing.

(vii) It shall take such further acts, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.

(viii) Execution, delivery or performance of this Agreement by it does not and will not conflict with, or result in a default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance, pursuant to its memorandum and articles of association, or any agreement or other document, law, rule, regulation, order, judgement or decree to which its is a party or by which it may be bound or affected.

11. JOINT OBLIGATIONS

11.1 Each Party shall co-operate and liaise fully with the other Party to ensure that this Agreement is implemented effectively.

11.2 Each Party shall comply with all laws relevant to the subject matter of this Agreement.

11.3 The Parties, may, from time to time, through their Authorised Representatives, agree upon and adopt a written protocol for the performance by either or both the Parties of any obligation under this Agreement. However, to the extent of any inconsistency between them, the provisions of this Agreement shall at all times prevail over any protocol adopted.

11.4 The Parties shall liaise fully, inter alia:

(i) to resolve any difficulties which may arise in implementing this Agreement because of any legal and / or regulatory right or obligation of a Party which may conflict with this Agreement;

(ii) to allow each Party to comply with its statutory and contractual rights and obligations to other persons; and

(iii) to minimise any risks to persons, equipment or the environment which may arise in supplying water under this Agreement.

12. CO-ORDINATING COMMITTEE.

12.1 Establishing the Co-ordinating Committee. Promptly after the execution of this Agreement, but not later than thirty (30) days thereof, the Parties shall establish a Co-ordinating Committee comprising two (2) members each nominated by the Bulk Supplier and the Purchaser. The removal, replacement, re-nomination and filling of the vacancies in the Co-ordinating Committee shall vest in the nominating Party.

12.2 Operating Procedures. The Co-ordinating Committee shall within 60 days of its being appointed establish protocols, procedures and standard operating practices which will govern the Parties in the control, operation and maintenance of supply facilities and interconnections,

and other aspects of supply of water under this Agreement ("Operating Procedures"). These shall include:

(a) Operations and maintenance, including communication system;

(b) Commissioning procedures, where applicable;

(c) Handling of issues related to or arising out of Force Majeure Events and other similar events;

(e) Safety and protection measures, handling of emergencies including the occurrence of a flood or drought, contingency planning and incident reporting;

(f) Any other issues jointly referred by the Parties.

The Operating Procedures so established shall be subject to and consistent with (i) the terms and conditions of this Agreement, (ii) prudent industry practices; and (iii) the applicable laws.

12.3 Amendments to Operating Procedures. As an on-going exercise, the Co-ordinating Committee may, either to address any problem being faced or any request of either Party, review and/or amend the Operating Procedures from time to time. Either Party may propose amendments to the Operating Procedures by giving written notice to the other Party along with the reasons for the proposed amendment. The Operating Procedures shall take effect on the date stipulated by the Co-ordination Committee.

12.4 Obligation to Comply with Operating Procedures. The Operating Procedures established by the Co-ordination Committee in terms of this Agreement shall be binding on the Parties.

12.5 Functioning of the Co-ordinating Committee. The Co-ordinating Committee shall establish its own procedures and conduct its business accordingly. The issues pending before the Co-ordinating Committee will be decided by majority vote. Any undecided issues, shall be referred for consideration and resolution by the Chief Executive Officers/Managing Directors of the Parties. Any issue so referred shall be decided within thirty (30) days of the reference, failing which it shall become a Dispute within the meaning of Article 17 (Dispute Resolution) hereof and shall be finally decided/settled in accordance with Article 17.

12.6 Subject to conformity with the applicable Law and the provisions of this Agreement, decisions of the Co-ordinating Committee shall be binding on the Parties.

13. DEFAULT AND PENALTIES

13.1 In the event that the Purchaser fails to obtain its Final Compliance Certificate within time period set out in Clause 5.2 above, the first invoice to be paid as described in Clause 7.3 and any invoice thereafter until the Final Compliance Certificate is obtained, shall be equal to the Fixed Component element of the Tariff Rate as described under Annexure – C.

13.2 In the event the Bulk Supplier fails to provide the infrastructure required for the purpose of transmission of water from its Source until the Transfer Point in the time determined in

Clause 4.1, the Purchaser shall be entitled to claim a monthly penalty equal to the Fixed Component element of the Tariff Rate as described in Annexure - C.

13.3 In the event of overdrawl of water, that is when the Purchaser shall off-take more water than the quantity approved of by the Bulk Supplier in its Dispatch Schedule Response as described in Annexure – A, the Purchaser shall pay the Bulk Supplier for the additional quantity of water at twice the Tariff Rate and also the tax as applicable on this additional quantity.

13.4 In the event the Bulk Supplier is unable to supply the minimum quantity of water as set out in Clause 3.2 or 3.3, as the case may be, to the Purchaser, the Purchaser shall be given the choice to either:

(i) receive free of cost within the following four (4) consecutive billing cycles after the occurrence of the non-supply, a quantity of water that equals the difference between the minimum quantity of water that should have been supplied by the Bulk Supplier as determined in Clause 3.2 and the actual amount supplied, or

(ii) receive a credit from the Bulk Supplier in the fifth consecutive billing cycle equal to the billing amount that would have applied if the minimum quantity of water would have been supplied.

13.5 If the Purchaser increases the monthly allocation of Industrial Use of the water purchased from the Bulk Supplier beyond 10% (ten per cent) of the amount specified in Clause 3.4, the Purchaser shall pay the Bulk Supplier for the undisclosed allocated quantity at twice the Tariff Rate as applicable to Industrial Use that would have been applicable had the Purchaser duly informed the Bulk Supplier thereof, and all applicable taxes.

13.6 In the event of the Purchaser being in default of this Agreement and such default is cured prior to Termination, the Purchaser shall pay the Bulk Supplier all direct costs suffered or incurred by the Bulk Supplier as may be reasonably proportioned towards establishing its infrastructure to fulfil its obligations under this Agreement and further, the Purchaser shall also be liable to pay to the Bulk Supplier a penalty of [x] % of the annual billing amount for the previous twelve month period or where such annual billing amount for the previous twelve month period is not available, such annual billing amount estimated on the basis of minimum quantity of water to be supplied under this Agreement, whichever is higher, within thirty (30) days of receiving such bill/demand notice.

13.7 In the event of the Bulk Supplier being in default of this Agreement and such default is cured before Termination, the Bulk Supplier shall pay the Purchaser all direct costs suffered or incurred by the Bulk Supplier as may be reasonably proportioned towards establishing its infrastructure to fulfil its obligations under this Agreement and further, the Bulk Supplier shall also be liable to pay to the Purchaser a penalty of [x] % of the annual billing amount for the previous twelve month period or where such annual billing amount for the previous twelve month period is not available, such annual billing amount estimated on the basis of minimum quantity of water to be supplied under this Agreement, whichever is higher, within thirty (30) days of receiving such bill/demand notice.

4. RIGHT OF THE BULK SUPPLIER TO DISCONNECT

4.1 Upon written notice to the Purchaser of no less than seven (7) days, setting out the reasons of its decision to disconnect the Purchaser in the notice, including proof thereof from the Authorised Representative of the Bulk Supplier, the Authorised Engineer or the Authorised Agency as shall be applicable and necessary, the Bulk Supplier shall be entitled to cease supply of water to the Purchaser upon the occurrence of any of the following events:

(i) If the Purchaser fails to pay three (3) consecutive bills.

(ii) If any defects in the Purchaser's Interconnection Facilities or pipeline or infrastructure are likely to cause damage or loss to the Bulk Supplier or are causing damage or loss to the Bulk Supplier, as assessed by any of the Authorised Agencies or Authorised Engineers listed in Annexure A, in case of non communication by the Purchaser of such defects in the Purchaser's pipeline or infrastructure.

(iii) If the Purchaser refuses to provide access to the Transfer Point to the Operational Representatives, Authorised Engineer, Authorised Representative of the Bulk Supplier or any other person authorised in writing by the Bulk Supplier to that effect.

(iv) If it is found that the Purchaser has tampered with the Meter or an attempt has been made to tamper the Meter as assessed by any of the Authorised Agencies or Authorised Engineers listed in Annexure A.

(v) If it is found that the Purchaser made and attempt to obtain the water supply directly from the system of the Bulk Supplier by bypassing the Meter as assessed by any of the Authorised Agencies or Authorised Engineers listed in Annexure A.

(vi) Any cancellation of a Financial Document;

(vii) The liquidation, insolvency, and / or bankruptcy of the Purchaser.

14.2 The Bulk Supplier shall resume supply of water to the Purchaser to its network after the satisfactory remedial by the Purchaser of the cause of the disconnection, as shall be assessed by the Authorised Engineer or the Authorised Agency as shall be applicable and necessary, and upon the payment of a fee of Rs. _____.

15. TERMINATION

15.1 This Agreement shall expire by efflux of time as set out in Article 2 (Term of Agreement).

15.2 In the event of occurrence of one or a combination of the events of default as set herein under the Article 13 (Default and Penalties) on the part of the Purchaser and that has not been remedied for a period of more than ninety (90) days, the Bulk Supplier shall have the right to terminate the Agreement forthwith by giving a written notice for the purpose of termination. The Termination Notice shall duly state the default(s) committed by the Purchaser.

15.3 In the event of occurrence of one or a combination of the events of defaults as set out hereunder in this Clause 15.3 on the part of the Bulk Supplier and that has not been remedied

for a period of more than thirty (30) days, the Purchaser shall have the right to terminate the Agreement by giving a written notice for the purpose of termination. The Termination Notice shall duly state the default(s) committed by the Bulk Supplier.

(i) The non-supply of the minimum quantity of water as determined in Clause 3.2 or 3.3, as the case may be;

(i) The failure to honour four (4) consecutive valid Dispatch Schedules that had been approved by the Bulk Supplier in its Dispatch Schedule Responses, as described in Annexure – A;

(ii) The tampering with the interconnection facilities, including the Meter; and / or

(iii) The liquidation/ insolvency/ bankruptcy of the Bulk Supplier;

15.4 In addition to its rights under Clause 15.2 above, the Bulk Supplier shall be entitled to terminate this Agreement in the event that the Purchaser fails to obtain a Final Compliance Certificate within a period of six (6) months from the Effective Date. However, in such a case the Purchaser shall be held liable to pay a compensation that will cover all infrastructure costs incurred by the Bulk Supplier specifically for the purpose of transmitting water from source of the Bulk Supplier to the Transfer Point, and a penalty as interest at the rate of SBI PLR plus 2.5% (two and a half per cent) calculated over a six (6) month period, less an amount equal to the Fixed Component element of the Tariff Rate already paid by the Purchaser. Such compensation shall be reduced proportionately if the Bulk Supplier also uses the infrastructure for the transmission of water to any other party on the date of the termination of this Agreement.

15.5 In addition to its rights under Clause 15.3 above, the Purchaser shall be entitled to terminate this Agreement in the event of failure of the Bulk Supplier to provide the infrastructure required for the purpose of transmission of water from its Source until the Transfer Point as per Clause 4.1. However, in such a case, the Bulk Supplier shall be held liable to pay a compensation that will cover all infrastructure costs incurred by the Purchaser specifically for the purpose of drawing water from the Transfer Point, and a penalty as interest at the rate of SBI PLR plus 2.5% (two and a half per cent) calculated over a six (6) month period.

15.6 Purchaser shall have the right to terminate this Agreement without assigning any reason whatsoever, by giving an advance written notice of six (6) months to the Bulk Supplier. In such an event the Purchaser shall pay to the Bulk Supplier an Early Termination Compensation that will cover all infrastructure costs incurred by the Bulk Supplier specifically developed for the purposes of this Agreement and a penalty as interest at the rate of SBI PLR calculated over a period of ten (10) years. Such an Early Termination Compensation shall be reduced proportionately if the Bulk Supplier also uses the infrastructure for the transmission of water to any other party on the date of termination of this Agreement.

15.7 In the event that a Force Majeure event continues for period of no less that one hundred and eighty (180) days, then either Party shall be entitled to terminate this Agreement on issuing termination notice to the other Party mentioning the reason for termination of the agreement. On such grounds for termination, cost of the parties shall be borne by themselves.

8 There shall be no obligation on either Party after the expiration of the Agreement or the termination of the Agreement, except in relation to the undischarged liabilities in existence.

FORCE MAJEURE

16.1 Force Majeure for the purpose of this Agreement shall mean any act or event listed below that occurs in India which will prevent the Party that claims the Force Majeure (the "Affected Party") from performing its obligations under this Agreement as specified under Clause 16.3, and which act or event shall include but shall not be limited to:

(i) Act of God;

(ii) Radioactive contamination or ionising radiation;

(iii) Strikes or boycotts, other than those involving the Parties or their respective employees/representatives or attributable to any act or omission of any of them, to the extent that the Affected Party is unable, wholly or in part, to carry out its obligations under this Agreement for a period exceeding a continuous period of seven (7) days;

(iv) Act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, terrorism, exercise of military power, riot, insurrection, terrorist or military action, civil commotion, politically motivated sabotage, public agitation to the extent that the Affected Party is unable, wholly or in part, to carry out its obligations under this Agreement for a period exceeding a continuous period of seven (7) days;

(v) National, regional, city-wide or industry-wide strikes or industrial action, to the extent that the Affected Party is unable, wholly or in part, to carry out its obligations under this Agreement for a period exceeding a continuous period of seven (7) days;

(vi) Any Change in Law, which has a material adverse effect on the Parties hereto and that is not covered by Article 18;

(vii) (vii) The expropriation, requisition, confiscation or nationalisation by a Government Authority of the infrastructure facilities or any other part thereof;

(viii) Any event or circumstance of a nature analogous to any of the foregoing.

16.2 The Affected Party shall convey the Force Majeure to the Authorised Representative of the other Party by means of wireless or telephone communication immediately on becoming aware of the Force Majeure situation. This shall be followed by a written notice by the Affected Party to the other Party within one (1) working day of becoming aware of such a situation. The Affected Party would serve weekly updates on the situation to the other Party until remedied. Any such notice and update shall as far as possible include full particulars of the nature and extent of the Force Majeure Event, the estimated duration and effect or probable effect which the Force Majeure Event is having on the Affected Party's performance of its obligations under this Agreement, the measures which the Affected Party is taking or will take to alleviate the impact of the Force Majeure Event and any other relevant information.

16.3 Either Party shall be entitled to suspend performance of its obligations under this Agreement, except for the payment obligations under Articles 7 (Tariff and Billing Process) and 8 (Payment and Surcharge), to the extent that such Party is unable, wholly or in part, to carry out its obligations under this Agreement due to an event of Force Majeure. In any event a Force Majeure cannot be a cause for the Purchaser to refrain from paying or delaying the payment of the bills to the Bulk Supplier for the water supplied according to the Dispatch Schedules, as described in Annexure - A.

16.4 The costs arising out of the subsistence of a Force Majeure Event shall be borne by the Parties and neither Party shall be required to pay to the other Party any costs arising out of any such Force Majeure Event.

16.5 In case of delayed information to the other Party, any loss or damages that takes place to the other Party / Parties shall be fully compensated for such loss or damage by the Party, which delayed information default on satisfaction of such damages or loss.

16.6 If any event of Force Majeure shall prevent a Party's performance for longer than thirty (30) consecutive days from the date of the commencement of such event of Force Majeure, the Parties shall mutually decide on either the terms of this Agreement upon which to continue this Agreement or to terminate this Agreement. If the Parties are unable to agree on such terms or to terminate this Agreement by mutual agreement within one hundred and eighty (180) days of the date of commencement of such Force Majeure, either Party may then in its sole discretion terminate this Agreement by written notice to the other Party as under Clause 15.7 above.

17. DISPUTE RESOLUTION

17.1 Amicable Resolution:

(i) Save where expressly stated to the contrary in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement between the Parties and so notified in writing by either Party to the other (the "Dispute") in the first instance shall be attempted to be resolved amicably in accordance with the procedures set forth in Sub-clauses (ii), (iii) and (iv) below.

(ii) In the event of any Dispute between the Parties, either Party may require such Dispute to be referred to the Authorised Representatives of both Parties, and the two Parties shall meet within a period of seven (7) days of the date of such request to discuss and attempt to resolve the Dispute amicably. If such Dispute is not resolved by the efforts of the parties within fifteen (15) days, either Party may refer the dispute to a conciliator in accordance with the provisions of Sub-clause (iii).

(iii) The Parties shall agree on a sole conciliator, unless the Parties agree that there shall be two or three conciliators, which shall assist the Parties in an independent and impartial manner in their attempt to reach an amicable settlement of their Dispute. Such conciliation shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.

(iv) The settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal.

(v) The venue of such conciliation shall be Gandhinagar, Gujarat and the language for such conciliation shall be English.

(vi) The Parties shall not initiate, during the conciliation proceedings, any arbitral proceedings in respect of a Dispute that is the subject matter of the conciliation proceedings, except where in the opinion of the Party such proceedings are necessary for preserving its rights.

17.2. **Arbitration**

(i) Any Dispute, which is not resolved amicably as provided in Clause 17.1 within a period of forty-five (45) days from the date on which one Party notified the other Party of the Dispute, shall be finally decided by reference to arbitration by a Board of Arbitrators, appointed pursuant to paragraph (ii) below. Such arbitration shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.

(ii) There shall be a Board of three arbitrators of whom each Party shall select one arbitrator and the two arbitrators so appointed shall appoint the third arbitrator.

(iii) The Board of three arbitrators shall issue a reasoned award, which shall be binding on the Parties.

(iv) The venue of such arbitration shall be Gandhinagar, Gujarat and the language of such arbitration shall be English.

18. CHANGE IN LAW:

18.1 Change of Law means the occurrence of any of the following after the date of this Agreement:

(i) the enactment of any new Indian law;

(ii) the repeal, modification or re-enactment of any existing Indian law;

(iii) the commencement of any Indian law which has not entered into effect until the date of this Agreement;

(iv) a change in the interpretation of application of any Indian law by a court of record as compared to such interpretation or application by a court of record prior to the date of this Agreement; or

(v) any change in the rates of any of the Taxes, cess or levies.

18.2 Notwithstanding anything to the contrary contained in this Agreement, the Bulk Supplier shall not be liable to reimburse the Purchaser any sums on account of any change in Taxes.

19. GOVERNING LAW AND JURISDICTION:

19.1 This Agreement shall be construed and interpreted in accordance with and governed by the laws of India and the Courts at Gandhinagar shall have jurisdiction over all matters arising out of or relating to this Agreement.

20. WAIVER:

20.1 Waiver by either Party of any default by the other Party in the observance and performance of any provision or obligation under this Agreement:

(i) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions or obligation under this Agreement;

(ii) shall not be effective unless it is in writing and executed by a duly Authorised Representative of the Party; and

(iii) shall not affect the validity or enforceability of this Agreement in any manner.

20.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or accepted of any variation or the relinquishment of any such right hereunder.

20.3 This Agreement and the Annexures together constitute a complete and exclusive statement of the terms of the Agreement between the Parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless expressly previously approved in writing by the Parties and executed by their Authorised Representatives.

21. NOTICES AND DOCUMENTATION:

21.1 Any notice or other communication to be given by a Party to the other Party under or in connection with the matters contemplated by this Agreement shall be in writing and shall:

(i) be by registered post and by courier;

(ii) copies of all notices shall also be sent to the Authorised Representatives of the Parties, except bills.

(iii) bills shall be send to the Purchaser by the Bulk Supplier by registered post and by courier.

21.2 All notices required to be given by one Party to the other Party and all other communications, documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language. The addresses of the Parties, unless changed by written notification will be as follows:

(i) Gujarat Water Infrastructure Limited

(ii) [Purchaser]

21.3 Unless otherwise expressly provided in this Agreement any Documentation required to be provided or furnished by the Purchaser to the Bulk Supplier shall be provided free of cost and in three copies and if the Bulk Supplier is required to return any such Documentation with its approval, the Bulk Supplier shall be entitled to retain two copies thereof.

21.4 Each Party shall appoint upon the execution of this Agreement and keep appointed for the Term of the Agreement, a representative for purposes of this Agreement ("Operational Representative") and shall give the other Party notice of the name, postal address, email address, telephone and fax numbers and other contact details of such Operational Representative.

22. CONFIDENTIALITY

22.1 The Parties may disclose to each other certain information in written or other tangible form that may be of a proprietary nature and such information which is disclosed verbally shall be summarised in writing by the disclosing Party within thirty (30) days of the original disclosure date. The disclosing Party shall mark such information with a proprietary notice and such information shall not be disclosed to third persons other than with the prior written consent of the other Party, which consent shall not be unreasonably withheld. Further, the terms of this Agreement and all information obtained in connection with its fulfilment shall be the exclusive property of the Parties and not disclosed to third persons other than by the prior written consent of the other Party, which consent shall not be unreasonably withheld.

22.2 The consent required under Clause 22.1 shall not apply to disclosure:

(i) to an affiliate, consultant, contractor or subcontractor on a good faith "need-to-know" basis;

(ii) to potential third person purchasers of the Shares of either Party, on a confidential basis; or

(iii) to a governmental agency or entity, or to the public if such disclosure is necessary under the relevant laws or regulations or having received advice from its legal counsel that such disclosure is necessary or strongly recommended, or if the disclosing Party sincerely believes that such disclosure is necessary for some other reason;

22.3 In all such cases where disclosure is made under Clause 22.2, the disclosing Party shall give written notice to the other Party prior to making such disclosure. As to the disclosure referred to in Clause 22.2 (i) or (ii), only confidential information regarding which the third person has the legitimate need to know may be disclosed.

22.4 Any information disclosed under this Agreement shall not be deemed to be confidential or proprietary and the receiving Party shall have no obligation with respect to any such information which:

i. was known to the receiving Party at the time it was submitted; or

ii. is, or becomes, publicly known through no wrongful act of the receiving Party, or any affiliate, agent or consultant or employee; or

iii. is received by the receiving Party from a third person without similar restrictions and without breach of this Agreement: or

iv. is approved for release by written authorisation of the disclosing Party: or

v. is shown to have been independently developed by the receiving Party without the use of the information disclosed by the other Party hereunder, or

vi. is furnished by the disclosing Party to a third person without a similar restriction on the third person's rights.

22.5 The provisions of this Article 22 shall apply throughout the term of this Agreement and for three years following its termination.

23. SEVERABILITY:

23.1. If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable. the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to Dispute Resolution under this Agreement or otherwise.

24. INSURANCE[9]:

24.1 Insurance Obligation of Bulk Supplier. The Bulk Supplier may obtain and maintain, at times during the currency of this Agreement, at commercially reasonable rates, an appropriate insurance cover (of applicable and available policies) that is required by Law or is consistent with industry practices. If available on commercially reasonable terms, the Bulk Supplier shall cause its insurers to amend the Comprehensive or Commercial General Liability policies and, if applicable, umbrella or excess liability policies with the following endorsements:

i. The Purchaser, its directors, officers, and employees are additional insured under the policy;

ii. The policy is primary with respect to the interest of Purchaser, its directors, officers and employees, and any other insurance maintained by them is excess and not contributory with the policy;

iii. The policy may include a severability of interest endorsement that shall provide that all of the provisions of such policies shall operate in the same manner as if there were a separate

[9] This Article is optional and shall be subject to commercial negotiations of the Parties.

policy covering each insured, provided that such policies shall not operate to increase the insurer's limits of liability;

iv. The insurer waives all rights of subrogation against the Purchaser, its officers, directors, shareholders and employees; and

v. Notwithstanding any provision of the policy, the policy shall not be cancelled without giving thirty (30) days (ten (10) days for non-payment of premium) prior written notice to the Purchaser. All other terms and conditions of the policy remain unchanged.

24.2 Bulk Supplier Insurance Certificates. Bulk Supplier may cause its insurers or agents to provide the Purchaser with certificates of insurance evidencing the policies and endorsements listed above from time to time upon written notice from the Purchaser. Failure to provide certificates of insurance does not relieve the Bulk Supplier of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Clause shall in no way relieve or limit the Bulk Supplier's obligations and liabilities under other provisions of this Agreement.

24.3 Application of Insurance Proceeds by Bulk Supplier. The Bulk Supplier shall be entitled to receive all proceeds from any insurance policies obtained and maintained by the Bulk Supplier; provided however that, the Bulk Supplier shall apply all insurance proceeds received by it in respect of physical loss of or damage to any part of the Bulk Supplier's system in repair and restoration. If, for reasons other than the Bulk Supplier's breach of its obligations under this Agreement or its failure to take out and maintain the applicable scope of insurance cover required hereunder, the Bulk Supplier believes that the repair or replacement of any physical loss or damage to the Bulk Supplier's system would be uneconomic, the Parties may mutually agree upon sharing of the relevant insurance proceeds and for the making of appropriate adjustments to the Tariff and other provisions of this Agreement in order to compensate Purchaser in the event that Purchaser agrees that such insurance proceeds need not be applied in carrying out the repair and restoration of the Bulk Supplier's System.

24.4 Insurance Cover by Purchaser. Purchaser may obtain and maintain, at times during the currency of this Agreement, at commercially reasonable rates, an appropriate insurance cover (of applicable and available policies) that is required by Law or is consistent with industry practices. If available on commercially reasonable terms, the Purchaser shall cause its insurers to amend the Comprehensive or Commercial General Liability policies and, if applicable, umbrella or excess liability policies with the following endorsements:

i. The Bulk Supplier, its directors, officers, and employees are additionally insured under the policy;

ii. The policy is primary with respect to the interest of the Bulk Supplier, its directors, officers and employees, and any other insurance maintained by them is excess and not contributory with the policy;

iii. The policy may include a severability of interest endorsement that shall provide that all of the provisions of such policies shall operate in the same manner as if there were a separate policy covering each insured, provided that such policies shall not operate to increase the insurer's limits of liability;

iv. The insurer waives all rights of subrogation against the Bulk Supplier, its officers, directors, shareholders and employees: and

v. Notwithstanding any provision of the policy, the policy shall not be cancelled without giving thirty (30) days (ten (10) days for non-payment of premium) prior written notice to the Bulk Supplier. All other terms and conditions of the policy remain unchanged.

24.5 Purchaser Insurance Certificates. The Purchaser may cause its insurers or agents to provide the Bulk Supplier with certificates of insurance evidencing the policies and endorsements listed above from time to time upon written notice from the Bulk Supplier. Failure to provide certificates of insurance does not relieve Purchaser of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Clause shall in no way relieve or limit Purchaser's obligations and liabilities under other provisions of this Agreement.

24.6 Application of Insurance Proceeds by Purchaser. The Purchaser shall be entitled to receive all proceeds from any insurance policies obtained and maintained by Purchaser; provided however that, Purchaser shall apply all insurance proceeds received by it in respect of physical loss of or damage to any part of the Purchaser's system in repair and restoration. If, for reasons other than Purchaser's breach of its obligations under this Agreement or its failure to take out and maintain the applicable scope of insurance cover required hereunder, Purchaser believes that the repair or replacement of any physical loss or damage to the Purchaser's system would be uneconomic, the Parties may mutually agree upon sharing of the relevant insurance proceeds and for the making of appropriate adjustments to the Tariff and other provisions of this Agreement in order to compensate the Bulk Supplier in the event that the Bulk Supplier agrees that such insurance proceeds need not be applied in carrying out the repair and restoration of Purchaser's system.

25. RELATIONSHIP BETWEEN THE PARTIES:

25.1 This Agreement is a Principle to Principle agreement and nothing contained in this Agreement shall be construed or interpreted as constituting a partnership or agency between the Parties. Neither Party shall have any authority to bind the other Party in any manner whatsoever.

26. ASSIGNMENT:

26.1. The Purchaser shall not assign any part of its rights or obligations under this Agreement to any third party without the prior approval of the Bulk Supplier in writing.

26.2 In case the Purchaser desires to assign its rights under this Agreement, the Assignee should give a separate bank guarantee or any other additional security as may be required by the Bulk Supplier.

27. SUBCONTRACTING:

27.1 In case any of the Parties to this Agreement subcontracts any of its obligations under this Agreement, it shall be the sole responsibility of the Subcontracting Party and they shall be held responsible for any activities and the impacts of the activities undertaken by these subcontractors.

28. RECOVERY:

28.1 All sums and amounts due and payable under this Agreement shall be recoverable as per the law of the land.

29. COUNTERPARTS:

29.1 This Agreement may be executed in two counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

IN WITNESS WHEREOF THE, PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN

SIGNED SEALED AND DELIVERED

For and on behalf of

Gujarat Water Infrastructure Limited by:

_____ (Signature)

_____, Chairman

In the presence of:

1.

2.

SIGNED, SEALED AND DELIVERED

For and on behalf of the

[The Purchaser] by:

_____ (Signature)

_____, Chairman

In the presence of:

1.

2.

Annexure - A

Installation of the Interconnection Facilities and Sale of Water

I. Basic requirements for the installation of the interconnection facilities

1. Determining the Transfer Point:

(a) The Purchaser and the Bulk Supplier will jointly decide on the location of the Transfer Point, and where the Meter shall be installed. The installation of the Meter must be in accordance with the minimum infrastructure and equipment requirements as described below.

(b) The Purchaser shall install, own, operate, maintain and be liable for the interconnection facilities starting at its Premises until and including the Transfer Point[1].

(c) The Bulk Supplier shall install, own, operate, maintain and be liable for the interconnection facilities starting at its Premises until and including the Transfer Point[2].

2. Minimum infrastructure and equipment:

The Purchaser shall at least take into account the minimum requirements for the installation of its infrastructure and equipment from its Premises until and including the Transfer Point, as described below[3].

(a) Meter:

i. A flow meter, referred to as the Meter, will be sealed in the presence of both Parties at the Transfer Point.

ii. The Meter will be an electromagnetic meter, unless no access to electricity can be procured at the Transfer Point.

iii. The Purchaser shall ensure the power connection to the Meter and bear the cost thereof[4].

iv. The Meter will be a mechanical meter if no electricity can be procured at the Transfer Point.

---

[1] Depending if the Meter is in its possession
[2] Idem.
[3] Idem.
[4] Idem.

v. The cost of the installation of the Meter will be borne by the Purchaser[5].

vi. The calibration of the Meter must be executed by one of the Authorized Agencies listed below and the cost thereof shall be borne by the Purchaser[6].

vii. The margin of error of the Meter may not exceed 1%.

(b) Valves:

i. Authorized Engineers, chosen from the list below, will define the operation modalities of the valves used in the Purchaser's interconnection facilities based on the Daily Peaks[7] agreed upon by the Parties, via a trial and error method. The Authorized Engineers shall define the operation modalities of the valves within a period of one week from receiving such a request.

ii It is the duty of the Purchaser to invite Authorized Engineers prior to initiating the Streamlining Process as discussed under Section II below.

(c) Pipes

(d) Communication facilities

(e) ...

3. *List of Authorized Vendors, Agencies and Engineers:*

(a) List of Authorized Agencies:

i. Calibration of meters: The Purchaser shall only be allowed to have the calibration of the Meter executed by [Name of the Agency]

ii. Other ...[8]:

(b) List of Authorized Engineers:

i. Valves: The Purchaser shall only be allowed to have the operation modalities of the valves defined by: [Name of the Engineers]

(c) List of Authorized Vendors:

---

[5] Idem.
[6] Idem.
[7] Please define.
[8] To be completed by Bulk Supplier.

i. The Purchaser shall only be allowed to obtain or purchase its infrastructure and equipment from any of the Authorized Vendors listed below: [add]

II. Streamlining Process and Supply of Water

1. Streamlining Request:

i. After complying with the basic requirements for the installation of the interconnection facilities as spelled out above in this Annexure - A, the Purchaser shall initiate the Streamlining Process by addressing a Streamlining Request to the Bulk Supplier.

ii. The Streamlining Request shall propose a date for carrying out the streamlining tests. The Bulk Supplier shall commence the streamlining tests within five (5) working days after the receipt of the Streamlining Request.

2. Streamlining:

i. The streamlining tests are aimed at assuring that the Purchaser complied with the basic requirements of infrastructure and equipment and that it is technically acceptable to commence the water supply.

ii. In standard situations, the Bulk Supplier shall complete its testing the Purchaser's interconnection facilities within eight (8) working days of _____.

iii. The water supplied by the Bulk Supplier to the Purchaser during the Streamlining Process shall not be invoiced to the Purchaser .

3. Final Compliance Certificate & Commencement of the Water Supply:

i. The Bulk Supplier shall issue a Final Compliance Certificate to the Purchaser, after the successful completion of the streamlining tests.

ii. The supply of water by the Bulk Supplier to the Purchaser shall start one (1) day after the issuance of the Final Compliance Certificate.

iii. If the streamlining tests determine that the Purchaser fails to meet the basic requirements of infrastructure and equipment for water supply to commence, the Bulk Supplier shall notify the Purchaser thereof and list the deficiencies that must be remedied, as shall be certified by an Authorized Agency or Authorized Engineer.

III. Dispatch Schedules

The supply of water by the Bulk Supplier to the Purchaser will be executed according to the following Dispatch Schedule scheme.

1. Dispatch Schedule Request by the Purchaser:

i. The Bulk Supplier must receive the Purchaser's Dispatch Schedule Request at the latest by 1600 hours Wednesday for a schedule that will be valid from 0000 hours Sunday of the following week until 2400 hours on the Saturday following it.

For example, the Bulk Supplier must receive the Purchaser 's Dispatch Schedule Request at the latest by 1600 hours Wednesday 1st of January for a schedule that will be valid from 0000 hours Sunday 12th of January to 2400 hours Saturday 18th of January.

ii. In exceptional situations, if the above schedule is not adhered to by the Purchaser, and the Dispatch Schedule Request is received beyond the stipulated period, the Bulk Supplier will have the discretion to oblige the Purchaser on the basis of feasibility position.

2. Dispatch Schedule Response by the Bulk Supplier:

i. Valid Dispatch Schedule: The Dispatch Schedule requested by the Purchaser shall only be considered valid if the requested quantity of water equals or ranges between the minimum and maximum quantity of water agreed to by the Parties in Articles 3.2 and 3.3 of this Agreement.

ii. The Bulk Supplier shall have the discretion to accept, modify or reject the requested amount of water in the Purchaser 's Dispatch Schedule Request or change of Dispatch Schedule Request. The Bulk Supplier shall communicate its decision to the Purchaser in a Dispatch Schedule Response by 1600 the day after the submission of the Purchaser 's Dispatch Schedule.

IV. Measurement of the Quantity Sale of Water

1. Meter:

The Meter, as described above, shall measure the quantity of water sold by the Bulk Supplier to the Purchaser.

2. *Monitoring:*

The Meter shall daily[9] be read in the presence of an Operational Representative of the Purchaser and one Operational Representative of the Bulk Supplier.

[Technicalities to be added]

3. ***Record keeping of the meter readings:***

The Operational Representatives of both Parties shall jointly enter the meter readings in the Meter Logbook.

[Technicalities to be added].

4. ***Invoices:***

The Bulk Supplier will convey the meter readings, as taken jointly by the Operational Representatives of the two Parties, to the Purchaser via monthly invoices.

[9] The Parties must determine whether meter readings are done hourly, daily, weekly, monthly or fortnightly.

Annexure - B

Operation and Maintenance of the Interconnection Facilities

I. Meter

1. Calibration of the Meter:

(a) The Meter must be calibrated every six (6) months, starting from the day of installation, and the cost thereof shall be borne by the Purchaser [same comment].

(b) The calibration of the Meter shall be executed by an Authorized Agency in the presence of both Parties. The Purchaser / Bulk Supplier [same comment] shall duly invite the Bulk Supplier to be present during the calibration of the Meter.

2. Replacement of the Meter:

(a) The electromagnetic Meter must be replaced after ten (10) to twelve (12)years since the date of installation.

(b) The mechanical Meter must be replaced after three (3) years since the date of purchase.

(c) The Purchaser shall only be allowed to purchase a new Meter from any of the Authorized Vendors, listed below [same comment].

II. List of Authorized Vendors and Agencies

1. List of Authorized Agencies:

(a) Maintenance of Meter: The Purchaser shall only be allowed to have the maintenance of the Meter executed by [same comment]: [Name of the Agency]

(b) Calibration of Meter: The Purchaser shall only be allowed to have the calibration of the Meter or any other meter executed by an Authorized Agency listed in Annexure-I, C [same comment].

2. *List of Authorized Engineers:*

(a) Valves: The Purchaser shall only be allowed to have the maintenance of the valves executed by the Authorized Engineers listed in Annexure-I, C [same comment].

3. *List of Authorized Vendors:*

(a) The Purchaser shall only be allowed to obtain or purchase its infrastructure and equipment from any of the authorized vendors listed in Annexure-I, C [same comment].

III. Replacement Schedules

1. The Purchaser shall as a minimum take into account the Replacement Schedules for the operation and maintenance of its infrastructure and equipment as described below.

[To be completed by Bulk Supplier]

IV. Maintenance Manual

1. The Purchaser shall keep a Maintenance Manual wherein it shall keep proof of all the situations where the Purchaser relied on an Authorized Agency, Authorized Engineer or Authorized Vendor. The Bulk Supplier shall have access to the Maintenance Manual at all times.

Annexure - C

Tariff Rate

I. Tariff Rate

The Tariff Rate as agreed upon by the Parties shall consist of the following three heads:

1. ***Fixed Component (FC):*** _____

This fixed Component would be annually revised based on the formula given below:

Fixed Component (Fc)	WPI	$F_c * [1+ (WPI_{\text{this year}} - WPI_{\text{last year}})/ WPI_{\text{last year}}]$

2. ***Water charges (WC):*** Water charges shall be calculated on the basis of actual expenses incurred by the first party on the procuring the water to be supplied.

3. *Power charges (PC):* Actual expenses on account of power consumption

Tariff Categories:

The Tariff Category for Industrial use and Non-Industrial use shall apply to the Purchaser as per Clause 3.4 of the Agreement.

i. For the purpose of this Agreement Industrial use shall mean:
[to be added by Bulk Supplier]

ii. For the purpose of this Agreement Non-Industrial use shall mean:
[to be added by Bulk Supplier]

iii. If the Purchaser purchases the water for multiple uses, as per Clause 3.4 of the Agreement, the tariff formula is given below:

$$P = \frac{V_I P_I + V_{NI} P_{NI}}{V_I + V_{NI}}$$ per litres of water supply for multiple use.

Where V_I = Volume of water supply for industrial use in litres
V_{NI} = Volume of water supply for non industrial use in Litres
P_I = Tariff for water supply for industrial use
P_{NI} = Tariff for water supply for non industrial use.

Annexure - D

Water Quality Standards

1. ***Sampling Procedures:***

(a) The Bulk Supplier shall take samples _____ [daily/weekly] for the purpose of determining water quality standards between its Source and the Transaction Point.

(b) The Bulk Supplier shall analyze whether the water to be supplied to the Purchaser complies with the Standards listed below at (2) to and shall duly inform the Purchaser thereof.

(c) The Parties shall rely on any of the Authorized Laboratories, listed below, to execute the _____ [weekly/monthly] independent sampling of the water that the Bulk Supplier transmits from its Sources to the Purchaser.

(d) The Authorized Laboratories shall analyze whether the water to be supplied by the Bulk Supplier to the Purchaser complies with the Standards listed below at (2) and shall duly inform the Parties thereof.

(e) The Quality of Water Procedures shall be executed by any of the following Authorized Laboratories:

[To be completed by the Parties]

2. ***Standards:***

(a) The bulk water transmitted by the Bulk Supplier shall comply with the following criterion:

There shall be no variance exceeding __[ten (10)]__ percent of the Total Coliforms Organism MPN/ 100 ml between its Sources and the Transaction Point.